

# ENTERPRISE GROUPS IN TURKISH BUSINESS REGISTERS

*"Training Course on Business Surveys "*

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- EGs Field Study
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## AIM

- to establish EGs data at a global level,
- to get basic figures and variables on EGs units,
- to delineate the pictures of EGs in terms of control and share relationship within the legal units belonging to that group,
- to gain information on the legal units and their links to enterprises and enterprise groups,
- to compare some of the variables and figures (activity, address, etc.) obtained for the legal units with our BR, by this way quality checks are performed

## BACKGROUND

EGs figure is obligatory to be produced in BR according to the Regulation (EC) No 177/2008.

For this aim;

- Pilot study under PHARE 2005 Project (reference year 2007, for 3 biggest city)
- EGs study has been conducted annually since 2008
- EGs studies are also sub-project of the Upgrading Statistical System of Turkey II – III Programme (USST II-III)

## EGS FIELD STUDY

### Geographical Coverage

Whole Turkey

### Method

The questionnaire is

- ✓ applied to legal entity having control authority
- ✓ carried out by regional offices of TurkStat
- ✓ completed by enterprise via web application
- ✓ filled out by finance manager or accountant

## EGS FIELD STUDY

### Data Sources

- Annual Business Registers Frame
- Revenue Administration
- SBS survey-Foreign Controlled Enterprise Statistics in TurkStat
- Outwards FATS in TurkStat
- Ministry of Economy – Foreign direct investments activated in Turkey
- Ministry of Treasury – Turkish companies that have foreign direct investments abroad
- The Central Bank – Capital Exporting Company Information and Foreign Capital Company List
- Banking Regulation and Supervision Agency – Subsidiaries and affiliates of Banks
- Association of International Investors Data
- Ministry of Science, Industry and Technology –Foreign Capital Companies
- Turkish Union of Chambers and Commodity Exchanges – Foreign Capital Companies
- EGs of previous year

## EGS FIELD STUDY

### Criteria for selection

- foreign capital share >50%
- the biggest 500 companies
- legal name containing “holding” or “company groups”
- elimination of legal units belonging to EGs detected previous year
- threshold of number of persons employed
- legal status>1
- active units
- extracting repeated ones
- frequency of data sources
- visiting official web sites of the units, etc.

## EGS FIELD STUDY

### Data Edits

- EGs in the previous year, but not an EGs in this year
- Comparison with SBS survey
- NACE Rev.2 activity '9609- Other service activities not classified in anywhere'
- Domestically controlled truncated groups which fill the country name of legal units resident only in Turkey, etc....



## EGS FIELD STUDY

### Variables

- Identity and address information of group head,
- Country name, legal name, address, date of association and share information of controller unit abroad and of the controller unit globally at the upper level (if any),
- Tax number and legal name of group head,
- Date of association, principal activity, secondary activity (if any), nationality, type and web address (not compulsory) of the group,
- Information of the country name and the number of legal unit resident abroad,

## EGS FIELD STUDY

### Variables

- Information on the legal units belonging to EGs
  - ✓ legal name
  - ✓ tax number
  - ✓ status in consolidated budget
  - ✓ date of association
  - ✓ date of separation of legal units)
- Information on control-links of EGs
  - ✓ tax number of owner legal unit
  - ✓ legal name of owner legal unit
  - ✓ tax number of owned legal unit
  - ✓ legal name of owned legal unit
  - ✓ Share of ownership (%)
  - ✓ control (direct, indirect, no control)

# RESULTS

## General results

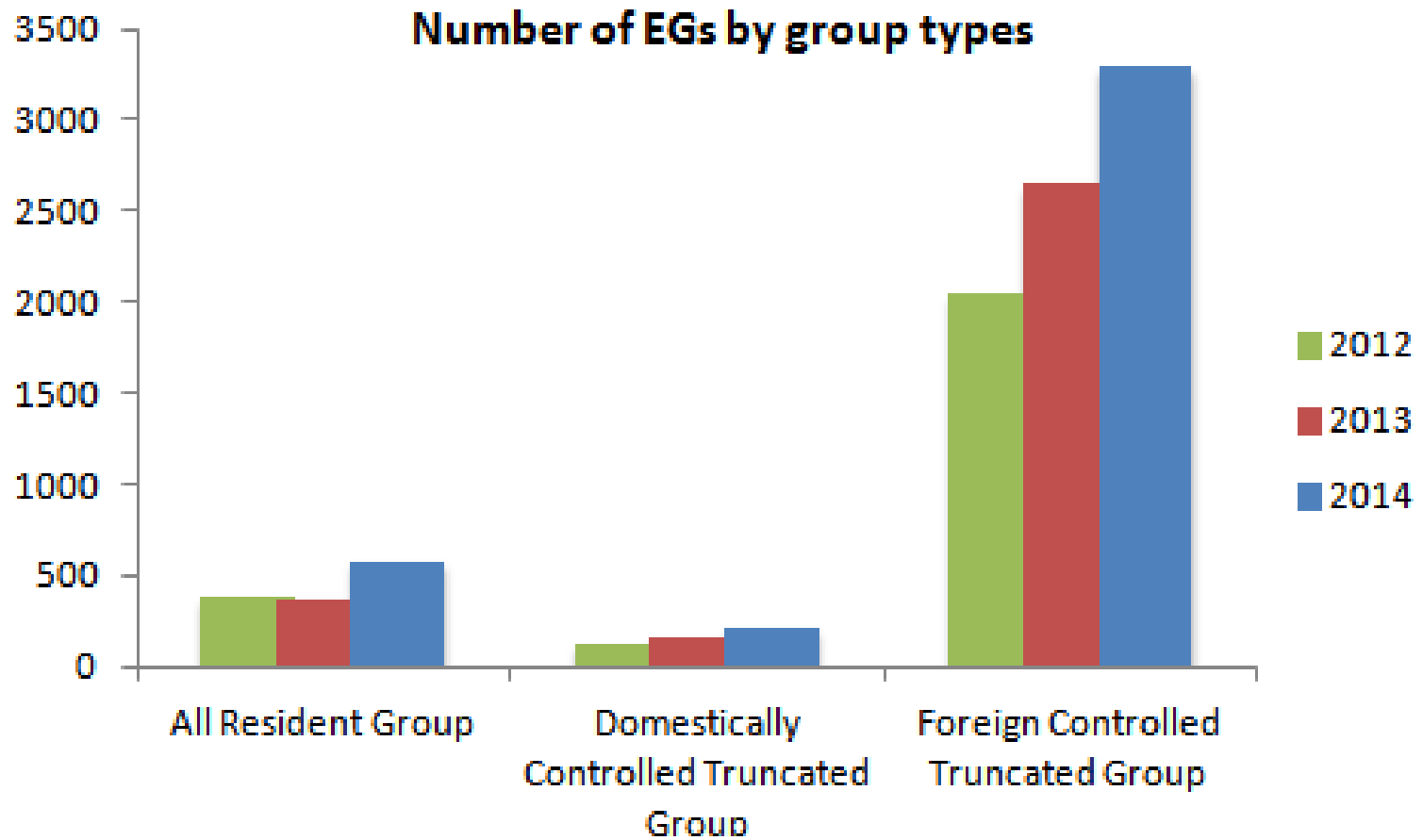
CASES	2014		2013		2012	
	COUNT	%	COUNT	%	COUNT	%
<b>ENTERPRISE GROUP</b>	<b>4272</b>	<b>75,0</b>	<b>3269</b>	<b>80,7</b>	<b>2688</b>	<b>70,7</b>
<b>Analysed</b>	4069	71,4	3167	78,2	2534	66,6
<b>Not analysed (Mid Subsidiary)</b>	203	3,6	102	2,5	154	4,1
<b>NOT BELONGING TO AN ENTERPRISE GROUP</b>	<b>1217</b>	<b>21,4</b>	<b>571</b>	<b>14,1</b>	<b>801</b>	<b>21,1</b>
<b>NONRESPONSE</b>	<b>210</b>	<b>3,7</b>	<b>212</b>	<b>5,2</b>	<b>313</b>	<b>8,2</b>
<b>Liquidated</b>	19	9,0	4	1,9	25	8
<b>Inactive</b>	73	34,8	38	17,9	41	13,1
<b>Be Rejected</b>	5	2,4	3	1,4	10	3,2
<b>Address Problem</b>	110	52,4	164	77,4	51	16,3
<b>Cannot Be Reached To Authorised Person</b>	1	0,5	0	0,0	180	57,5
<b>Duplicated</b>	0	0,0	3	1,4	1	0,3
<b>Out of Scope</b>	2	1,0	0	0,0	5	1,6
<b>TOTAL</b>	<b>5699</b>	<b>100</b>	<b>4052</b>	<b>100</b>	<b>3802</b>	<b>100</b>

## RESULTS

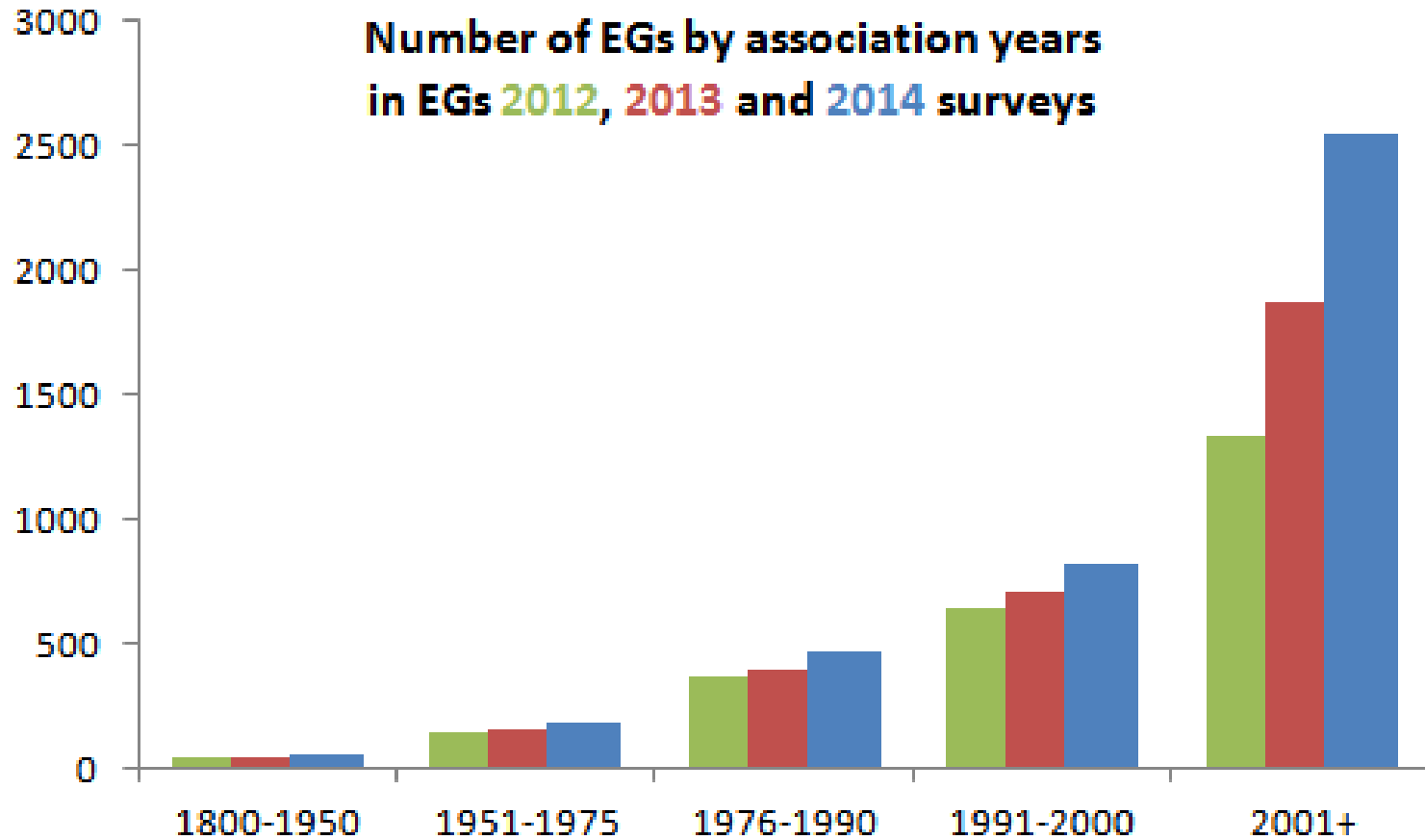
### Number and percentage of EGs by group types

TYPE OF EGs	2014		2013		2012	
	# of EGs	%	# of EGs	%	# of EGs	%
All Resident Group	572	14,1	368	11,6	374	14,8
Domestically Controlled Truncated Group	208	5,1	157	5,0	118	4,7
Foreign Controlled Truncated Group	3289	80,8	2642	83,4	2042	80,6
<b>TOTAL</b>	<b>4069</b>	<b>100</b>	<b>3167</b>	<b>100</b>	<b>2534</b>	<b>100</b>

# RESULTS

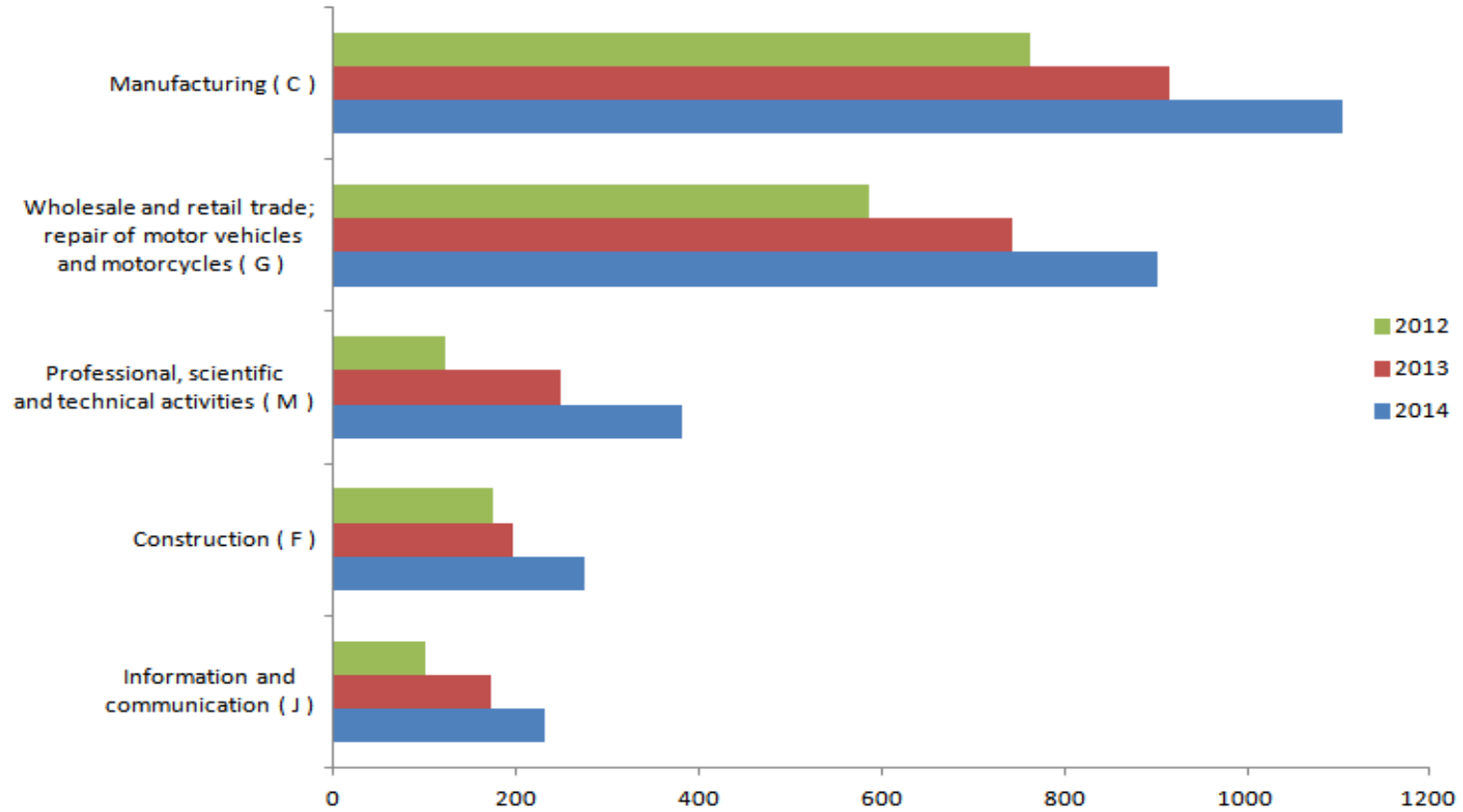


# RESULTS

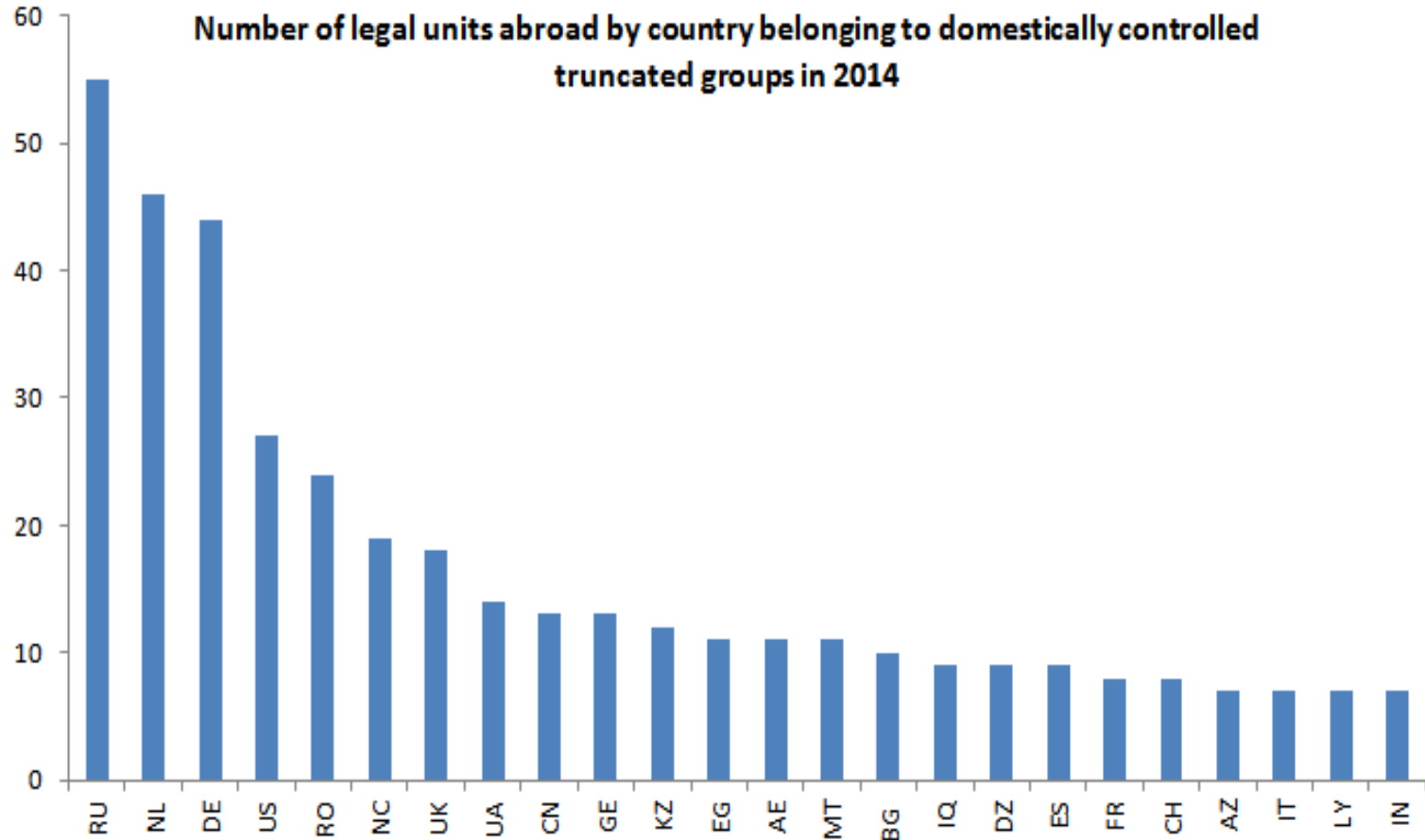


# RESULTS

Number of EGs by NACE Rev.2.



# RESULTS

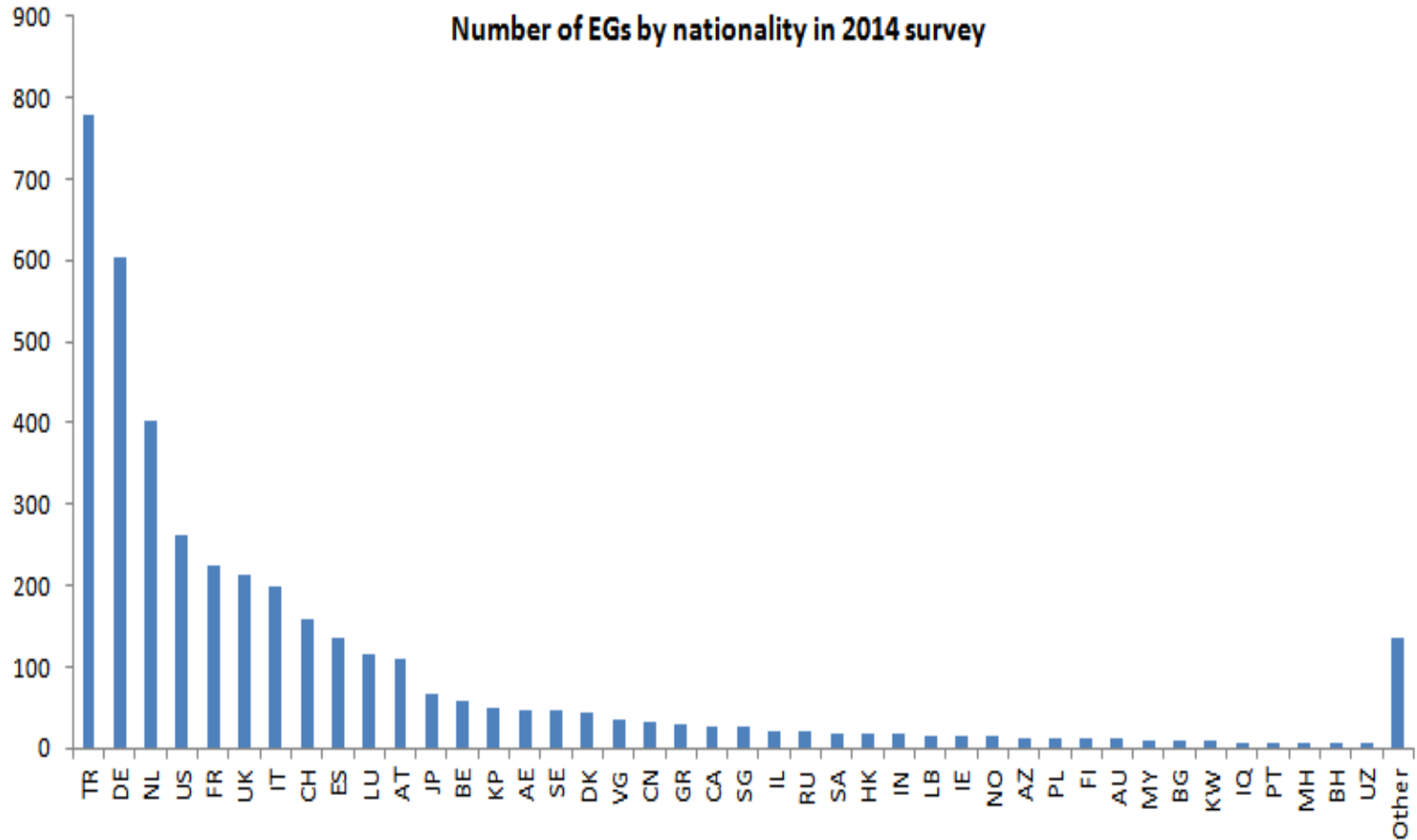




## RESULTS

- # of legal units resident abroad for domestically controlled truncated groups: 510 units in 2014, 459 units in 2013  
(according to the data kept in country table)
- # of legal units resident in Turkey : 8746 units in 2014, 6974 units in 2013.  
(according to the data kept in legal unit table)
- contents of the reference year 2014
  - Enterprise groups 4069
    - Turkish 780
    - Foreign 3289

# RESULTS



## PROBLEMS ENCOUNTERED

- Lack of administrative sources
- No updated data in the available sources
- Lack of staff in BR for selection of the scope of EGs frame (searching the organization structures, annual reports of the units via internet)
- Not possible to detect the whole scope of the EGs

## FUTURE PLANS

- to initiate profiling studies
- to increase the scope of EGs annually
- to continue the negotiations with other administrative bodies
- to publish EGs results when the whole scope of the EGs is gained

**Thank you...**